MTSA/ISPS POLICY ADVISORY COUNCIL

May 24, 2005

Issue/Discussion/Decision

Drilling Mud

16-04 (Change 3)

FINAL

<u>Issue</u> (16-04 Change 3): Drilling mud describes a wide variety of compounds used to lubricate and cool oil and gas drilling bits as well as flush ground up solids to the surface. The compounds are injected in the drill pipe and recovered (partially – some remains in the well) and disposed of along with much of the cuttings that are flushed to the surface of the well. Should vessels certificated under 46 CFR Subchapter D or facilities regulated under 33 CFR Part 154 that transport or handle waste drilling mud be exempted from the requirements in 33 CFR Parts 104 and 105?

Policy: We have conducted an assessment of drilling mud and have determined that it poses a lower risk of causing a transportation security incident. As a result, the Coast Guard is exempting barges that handle drilling mud as not being subject to 33 CFR Part 104 unless another applicability factor is involved. Likewise, the Coast Guard is exempting facilities that receive drilling mud from a barge not otherwise subject to 33 CFR Part 104 unless another applicability factor is involved. These exempted barges and facilities remain subject to sections 101 and 103 of 33 CFR Subchapter H.

<u>Barge Examples</u>: Barges that alternate between carrying drilling mud and other regulated cargoes would be required to comply with 33 CFR Part 104. Any self-propelled vessel carrying drilling mud and inspected pursuant to 46 CFR Subchapter I or Subchapter L must comply with 33 CFR Part 104. Barges that do not engage in international voyages that only carry drilling mud or other non-regulated cargoes are not required to comply with 33 CFR Part 104.

<u>Facility Examples</u>: Facilities that receive barges that do not engage in international voyages that carry drilling mud are not required to comply with 33 CFR Part 105, unless other applicability factors exist. Facilities that receive self-propelled vessels carrying drilling mud and inspected pursuant to 46 CFR Subchapter I or Subchapter L must comply with 33 CFR Part 105 in accordance with the provisions for applicability, exception (details explained in PAC Issue Paper 57-05), exemption or waiver described within the Part.